

1(amended). A credit card incentive system, wherein a credit card issuer makes a payment on behalf of a credit card holder to a lending institution to be applied against outstanding principal on a note for a loan made to the credit card holder, which note is held by the lending institution, wherein the credit card issuer and lending institution are not the same financial institution.

12(amended). A computerized method for providing credit card incentive payments, comprising:

- a) establishing a credit card account between a credit card issuer and a credit card holder, wherein the credit card holder has a loan with an outstanding principal balance for which a lending institution holds a note, wherein the credit card issuer and lending institution are not the same financial institution;
- b) issuing a credit card to the credit card holder;
- c) (1) periodically calculating the value of all purchases made by the credit card holder using the credit card during a period of time;
- d) periodically calculating an installment loan benefit amount; and,
- e) periodically paying to the lending institution the installment loan benefit amount, wherein the installment loan benefit amount is applied against the outstanding principal balance.